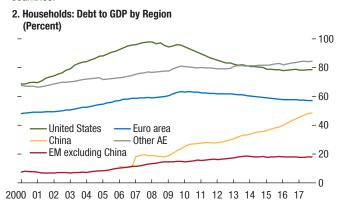
Figure 1.6. Balance Sheet Vulnerabilities

Total nonfinancial sector debt has continued to swell since the global financial crisis.

1. Total Nonfinancial Sector Debt (Trillions of U.S. dollars; percent of GDP) 250 Total (right scale) Advanced economies (left scale) 160 240 Emerging market economies <u>왕</u>140 흥120 (left scale) Trillions of U.S. 100 - 60 - 40 -220 · 210 등 80 -200 180 06 N8 10 12

Highly leveraged loan deals have grown as a share of new corporate issuance in the United States and Europe ...

Household debt to GDP remains on an upward trajectory in a number of countries.

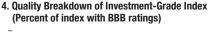


... accompanied by broad-based growth in riskier borrowing.

3. U.S. and European Leveraged Loan Issuance by Leverage Multiple (Percent of issuance)



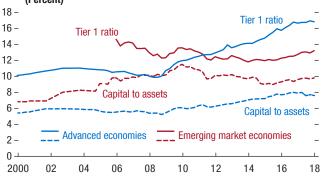
Capital positions of banks in advanced economies have improved, but are less robust in some emerging market economies ...





 \ldots where weak underwriting standards have led to rising nonperforming loans.

5. Banking System Capital Ratios by Region (Percent)



6. Banks' Gross Nonperforming Loans by Region (Percent)



Sources: Bloomberg Finance L.P.; Haver Analytics; IMF, Global Debt Database (2018) preliminary esimates; S&P Leveraged Commentary and Data; and IMF staff calculations.

Note: In panels 1, 2, 5, and 6, aggregates refer to 29 jurisdictions with systemically important financial sectors. Leverage multiple is defined as the ratio of total debt-to-earnings before interest, taxes, depreciation, and amortization after the issuance of the loan. AE = advanced economy; EM = emerging market.